

THE COMPETITION ACT,2002

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THE COMPETITION ACT, 2002

- The competition act, 2002 was amended by the competition amendment act 2007 and 2009. The act establishes a commission which is duty bound to protect the interests of free and fair competition and protect the interests of consumers

OBJECTIVES OF THE ACT

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The main objectives of the Competition Act, 2002 are:

- to provide the framework for the establishment of the Competition Commission
- to prevent monopolies and to promote competition in the market
- to protect the freedom of trade for the participating individuals and entities in the market
- to protect the interest of the consumer

COMPETITION COMMISSION

- The Competition Commission of India is established under the Competition Act, 2002. It is a statutory body that has the power to govern and enforce the Competition Act including penalties. It was established when the need for a healthy competitive environment became necessary following liberalization under the Vajpayee government.

THE COMMISSIONS DUTY IS

- To prohibit the agreements or practices that have or likely to have an appreciable adverse effect on competition in a market in india,[horizontal and vertical agreements
- To prohibit the abuse of dominance in a market.
- To prohibit acquisitions,mergers,amalgamations etc. between the enterprises which have or are likely to have an appreciable adverse effect on competition in markets in India

COMPOSITION OF COMMISSION

- The Commission is composed of a chairman and a minimum of 2 board members and a maximum of 6 board members. These members are required to have a minimum of 15 years of experience in their respective fields. Its objectives, duties and powers are enumerated in the Competition Act, 2002. Its main duty and object is to ensure that the Indian markets maintain a healthy and fair competitive environment and is granted power to ensure such an environment and penalise any acts adversely affecting its duties.

The Competition Act 2002 is a comprehensive law and the intent of the legislation is

- To promote fair competition, catch up with the global economy, safeguard the interest of the consumers and ensure a stable market for India.